

RULE 110. ELIGIBILITY

This section applies to all automobiles that are not classified or defined in other sections.

RULE 111. PREMIUM DEVELOPMENT

A. Unless specifically described in the Rule, rating procedures for automobiles defined in Rules 112 through 125 are found on the Special Types Rating Procedures pages in the Rate Section.

1. Base rates for truck, tractor, and trailer type automobiles are found on the Trucks, Tractors and Trailers rate pages in the Rate Section based on the size of the automobile as defined in Rule 52.B.1. and Rule 52.B.2. – Trucks, Tractors and Trailers Classifications in Section III – Trucks, Tractors and Trailers of this Manual. Primary and secondary rating factors as defined in Rule 52.B.3. and Rule 52.B.4. and Rule 52 C. – Trucks, Tractors and Trailers Classifications in Section III – Trucks, Tractors and Trailers of this Manual do not apply.

2. Base rates for private passenger type automobiles are found on the Private Passenger Types rate pages in the Rate Section.

B. Determine if the risk is fleet or non-fleet as defined in Rule 52.A. – Trucks, Tractors and Trailers Classifications in Section III – Trucks, Tractors and Trailers of this Manual or Rule 62.A. – Private Passenger Types Classifications in Section IV – Private Passenger Types of this Manual.

C. Determine the rating territory from the Territory Schedule in the Rate Section based on the street address of principal garaging. Place of principal garaging is described in Rule 21 – Residence and Location of Section II – Common Coverages of this Manual.

D. Liability, No-Fault and Physical Damage

Specific rating instructions are provided in the Rate Section for each classification.

E. Medical Payments, Uninsured and Underinsured Motorists Insurance

Refer to specific rules in the Rate Section. If no procedures are shown, determine premiums as follows:

1. If liability premiums are developed from truck, tractor and trailer premiums, charge truck, tractor and trailer medical payments premiums, uninsured and underinsured motorists insurance premiums.
2. If liability premiums are developed from private passenger type premiums, charge private passenger type medical payments, uninsured and underinsured motorists insurance premiums.

RULE 112. AMBULANCE SERVICES

- A. Except for Compulsory Bodily Injury Coverage, the policy must exclude coverage for bodily injury to any volunteer worker engaged in rescue squad or ambulance corps operations. Use Emergency Services – Volunteer Firefighters’ and Workers’ Injuries Excluded CA 20 30.
- B. The policy must exclude coverage for Bodily Injury or Property Damage which results from providing or failing to provide any professional service. Use Professional Services Not Covered Endorsement CA 20 18.

RULE 113. AMPHIBIOUS EQUIPMENT

For automobiles designed to operate on both land and water, classify and rate as land automobiles according to their use.

RULE 114. RESERVED FOR FUTURE USE

**RULE 115. AUTOMOBILE BODY MANUFACTURERS AND INSTALLERS
(Class Code 79240)**

Operations which involve demonstrating, testing, driving away or delivery of automobiles manufactured, assembled, rebuilt or repaired by the insured may be insured at the rate per plate applicable to garage dealers in Rule 88 – Premium Development in Section VI – Garage Dealers of this Manual.

All other automobiles and trailers, owned by the insured and operated in connection with the business of the automobile factory, shall be written on a specified car basis in accordance with manual rules and rates.

The policy shall not extend to cover the operation of any branch sales office or garage.

RULE 116. DRIVER TRAINING PROGRAMS (EDUCATIONAL INSTITUTIONS AND COMMERCIAL DRIVING SCHOOLS) AND AUTOMOBILE REPAIR TRAINING

**A. Driver Training Programs - Educational Institutions
(Class Code 79260)**

1. Eligibility

This section applies to private passenger automobiles used for driver training as part of a school curriculum.

2. A policy covering automobiles used by schools in driver training programs may be written on an annual term for Liability and Collision Coverages with premium prorated to reflect the actual school term. However, do not give credit for Saturdays, Sundays or holidays or for any other periods of lay-up during the school term.

B. Commercial Driving Schools (Class Code 79270)

1. Eligibility

This section applies to automobiles used by driving schools to give driving instruction. Use Driving Schools Endorsement CA 20 06.

2. Refer to the Rate Section for premium computation of owned automobiles.

3. Non-Owned Automobiles

- a. The policy must cover the driving instructors and their students.

b. Premium Computation

Charge the private passenger type rates for each instructor in excess of the number of owned automobiles.

C. Automobile Repair Training

For automobiles used by schools in automobile repair training, the rules and rates for owned automobiles, hired automobiles and non-ownership apply.

RULE 117. FIRE DEPARTMENT

A. Eligibility

1. This rule applies to automobiles used for firefighting purposes.
2. The policy must exclude coverage for Bodily Injury to any volunteer fireman or volunteer worker engaged in firefighting, rescue squad or ambulance corps operations. Use Emergency Services – Volunteer Firefighters’ and Workers’ Injuries Excluded Endorsement CA 20 30.
3. The policy must exclude coverage for Bodily Injury or Property Damage which results from providing or failing to provide any professional service. Use Professional Services Not Covered Endorsement CA 20 18.

RULE 118. FUNERAL DIRECTORS

A. Eligibility

1. This rule applies to limousines, hearses or flower cars owned or used by a funeral director.
 2. The policy must exclude coverage for Bodily Injury or Property Damage which results from providing or failing to provide any professional service. Use Professional Services Not Covered Endorsement CA 20 18.
- B. Refer to Rule 112 – Ambulance Services for automobiles that are a combination hearse/ambulance.

RULE 119. LAW ENFORCEMENT AGENCIES

A. Eligibility

1. This rule applies to automobiles used by government law enforcement agencies or police departments.
2. The policy must exclude coverage for Bodily Injury to any volunteer worker engaged in rescue squad or ambulance corps operations. Use Emergency Services – Volunteer Firefighters’ and Workers’ Injuries Excluded Endorsement CA 20 30.

3. The policy must exclude coverage for Bodily Injury or Property Damage which results from providing or failing to provide any professional service. Use Professional Services Not Covered Endorsement CA 20 18.

RULE 120. LEASING OR RENTAL CONCERNS

A. Eligibility

This rule applies to risks which lease or rent automobiles to others without drivers. For automobiles leased or rented with drivers refer to Rule 55 – Premium Development Options for Truckers in Section III – Trucks, Tractors and Trailers of this Manual or Rule 72 – Public Automobile Classifications in Section V – Public Transportation of this Manual.

B. Registration Requirements

The Massachusetts Registry of Motor Vehicles requires that motor vehicle registrations be obtained in the name of the actual owner of the automobile. When liability insurance is to be obtained by a person or organization other than the actual owner, policies must be issued as follows:

1. If the actual owner is other than the leasing company and the leasing company is obtaining the insurance, the policy must be issued to the leasing company as named insured and the Additional Insured – Owner of Leased Vehicle Endorsement MM 20 25 must be made a part of the policy.
2. If the actual owner is other than the leasing company and the ultimate lessee is obtaining the insurance, the policy must be issued to the ultimate lessee as named insured and the Additional Named Insured – Owner of Leased Vehicle Endorsement MM 20 25 and the Lessor – Additional Insured and Loss Payee Endorsement MM 20 26 must be made a part of the policy.
3. If the actual owner is the leasing company and the lessee is obtaining the insurance, the policy must be issued to the lessee as named insured and the Lessor – Additional Insured and Loss Payee Endorsement MM 20 26 must be made a part of the policy.

C. Premium Determination

When determining the premiums, use the rating territory from the Territory Schedule in the Rate Section based upon the street address where the automobile is principally garaged.

1. Specified Car Basis (Long Term)

- a. Rate automobiles leased for one year or more at the classification rates in this Manual that apply to the lessee.
- b. Contingent Coverage (Class Code 72190)

May be provided if insurance covering the leasing concern on a primary basis is provided by the lessee. Refer to the company for premium determination. Use Leasing or Rental Concerns – Contingent Coverage Endorsement CA 20 09.

2. Specified Car Basis (Short Term)

Refer to the Rate Section for automobiles rented by the hour, day or week.

D. Conversion, Embezzlement or Secretion Coverage

1. The policy must be endorsed to exclude, under Comprehensive or Theft, coverage for conversion, embezzlement or secretion.
2. To buy back this coverage, refer to the Rate Section for premium determination. Use Leasing or Rental Concerns – Conversion, Embezzlement or Secretion Coverage Endorsement CA 20 10.

RULE 121. MOBILE HOMES

Mobile homes shall be classified as follows:

- A. Trailers equipped as living quarters (Class Code 79630).
- B. Pick-up trucks used solely to transport camper bodies (Class Code 79620).
- C. Motor homes - self-propelled vehicles equipped as living quarters. Overall length not more than 22 feet (Class Code 79600) and overall length more than 22 feet (Class Code 79610).

D. Refer to the Rate Section for premium determination. Use Mobile Homes Contents Not Covered Endorsement CA 20 17.

RULE 122. MOTORCYCLES AND SIMILAR VEHICLES

- A. This rule applies to motorcycles, motorscooters, motorbikes and other similar vehicles used for commercial purposes.
- B. Refer to the Commercial Motorcycle rate pages in the Rate Section for premium determination.
- C. The premium for Personal Injury Protection must be charged for vehicles subject to Massachusetts registration.

RULE 123. REPOSSESSED AUTOMOBILES (Class Code 79250)

- A. Eligibility
 - 1. This rule does not apply to automobiles that finance companies and banks own or operate for their own business or personal purposes. Insure such automobiles according to the regular use of the automobile.
 - 2. Automobile finance companies and banks engaged in the business of financing the purchase of or insuring automobiles which have been issued dealer's registration plates by the Registry of Motor Vehicles for use only in taking possession of such automobiles due to foreclosure or subrogation of title, shall be insured under a Business Auto Coverage Form. Use Registration Plates Not Insured for a Specific Auto Endorsement MM 20 10.
- B. Premium Computation
 - 1. Liability and No-Fault – charge the private passenger type rate for each plate issued.
 - 2. Physical damage coverage for repossessed automobiles is not cedable to the Commonwealth Automobile Reinsurers.

RULE 124. REGISTRATION PLATES NOT ISSUED FOR A SPECIFIC AUTOMOBILE

A. Eligibility

This rule applies to risks which have been issued an interchangeable plate other than a dealer plate. Use Registration Plates Not Issued for a Specific Auto Endorsement MM 20 10.

B. Farmer's Special Plates

Any risk engaged primarily in the occupation of farming or raising poultry on land owned or controlled by that risk may be issued farmer's interchangeable registration plates. Such registration plates are valid only when affixed to qualifying automobiles and may not be used with private passenger automobiles.

1. Premium Computation

- a. Refer to Rate Section for liability coverage premium.
- b. Physical damage coverage is available on a specified car basis only.

C. Owner-Contractor (Class Code 07070)

Any risk other than a manufacturer, dealer or repairman and which owns or leases a fleet of 10 or more automobiles or trailers which are used exclusively in that risk's principal business, and which maintains an establishment with facilities for the repair, alteration or equipment of those automobiles or trailers may be issued Owner-Contractor interchangeable registration plates.

All automobiles or trailers owned or leased by an owner-contractor which are in the process of being repaired, altered, equipped or transferred from one location to another and which are not being used during such time in the operation of the principal business of the owner-contractor or, in the case of rubber-tired backhoes, front-end loaders and road graders are being used on the traveled parts of public ways for the building, repair, or maintenance thereof, shall be regarded as registered under the general distinguishing number or mark assigned by the Registrar of Motor Vehicles and shall be insured at the rate per plate applicable to Garage Dealers as provided in the Rate Section.

D. Transporters (Class Code 07060)

Any risk engaged in the business of transporting or delivering under its own power, automobiles not owned by that risk may be issued interchangeable registration plates.

A risk with a valid license issued by the Department of Public Utilities, whose business consists of transporting automobiles which are under the control of, but not owned by such transporter while being delivered by the risk under its own power, shall be registered under the transporter plates assigned to the risk and shall be insured at the rate per plate applicable to Garage Dealers as provided in the Rate Section.

E. Boat Trailers (Class Code 04560)

This classification applies to dealers of boats and boat trailers to which interchangeable boat trailers plates have been issued.

Refer to the Rate Section for premium determination.

F. Repair Plate or Dealer Plate Issued to Automobile Service Operations

1. Any risk engaged in automobile service operations such as repair shops, auto body shops (78090), service stations (78110), storage garages and public parking places (78130).

2. Premium Determination

a. Liability

Rate according to Rule 88.A. – Premium Development in Section VI – Garage Dealers of this Manual.

b. Physical Damage

Any automobile specifically registered by the named insured must be rated on a specified automobile basis according to its actual exposure.

Refer to Rule 98. B.3. – Dealers Physical Damage Coverage in Section VI – Garage Dealers of this Manual to rate automobiles held for sale by a non-dealer and use Physical Damage Coverage – Autos Held for Sale by Non-Dealers Endorsement MM 20 27.

RULE 125. SPECIAL OR MOBILE EQUIPMENT

A. Land Motor Vehicles other than Farm Equipment.

Unless indicated otherwise, operations coverage for any equipment described in this section is not provided under an automobile policy.

Eligibility

This section applies to the following categories:

1. Self-propelled automobiles which are required to be covered on an automobile policy with the following types of permanently attached equipment:

a. Equipment designed primarily for:

(1) Snow removal;

(2) Road maintenance, but not construction or resurfacing;

(3) Street cleaning.

Operations coverage for this equipment is provided under an automobile policy.

b. Cherry pickers and similar devices mounted on an automobile or truck chassis and used to raise or lower workers;

c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

2. Vehicles of the following types not covered by General Liability Insurance which may be covered under an automobile policy:

a. Bulldozers; forklifts, and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises the insured owns or rents;

c. Vehicles that travel on crawler treads;

- d. Vehicles maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Section A.2. of this Rule that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Sections A.1. or A.2. of this Rule, maintained primarily for purposes other than the transportation of persons or cargo.

B. Farm Equipment (Class Code 79070)

Eligibility

This rule applies to farm tractors, harvesting combines, power driven lawn mowers and other self-propelled farm equipment used for farming purposes.

Liability insurance for self-propelled farm equipment includes coverage for trailers, semitrailers, farm wagons and other farm implements while attached to the equipment. Coverage shall not extend to the operations of farm machinery or to a home, office, store of passenger trailer.

RULE 126. COMPOSITE RATING

Composite rating is a procedure which may be used at the option of the Servicing Carrier to determine all or some of the coverage premiums for a policy. Policies that are priced using composite rating may be ceded to CAR only if they meet the eligibility criteria described below.

The use of this rating procedure should result in the development of an estimated annual premium charge which does not deviate from a specified car premium determination.

A. Liability

1. Eligibility Requirements for Composite Rating

- a. The exposures to be rated on a composite basis must produce a premium of at least \$25,000 at minimum limits for the exposure defined in Section A.2.a. of this Rule. Minimum limits is defined as the sum of coverages A-1 and B at \$20,000 per person, \$40,000 per accident Bodily Injury and \$5,000 Property Damage.

However, if a risk does not satisfy this eligibility requirement, it may still be composite rated if a minimum premium of \$25,000 applies to the coverages that are rated on a composite basis.

- b. The liability coverage that is composite rated in an automobile policy can be ceded to CAR only if it covers the owned, non-owned, or hired automobiles of the insured.

2. Computation of Composite Rate

The composite rate shall be developed as follows:

- a. An initial survey of the risk's exposures to be composite rated will be made, and a final audit performed to determine the actual exposures of the risk as of the policy expiration date.
- b. Determine the exposures on a regular underwriting basis that will be rated on a composite basis, for a period of 12 consecutive months beginning not earlier than 24 months nor later than 12 months prior to the date on which the composite rate is to be effective. If these exposures cannot be determined accurately for any portion of the insurance to be rated, they shall be estimated from the use of such credible information as is available.

This exposure may be adjusted to recognize known changes in the risk's basic operations, other than exposure changes resulting from variations in price or wage levels.

c. For the exposures referred to in Section A.2.b. of this Rule, determine the classification and rating territory from the appropriate Section of this Manual and calculate the applicable manual rates and minimum premiums at minimum limits (\$20,000 per person, \$40,000 per accident bodily injury and \$5,000 property damage) and the experience rating modification developed under CAR's Experience Rating Plan in effect as of the date on which the composite rate is to be effective.

d. Compute the composite rate as follows:

(1) Calculate the increased limits premium for the exposures in Section A.2.b. subject to any applicable minimum premiums, multiplied by any applicable experience rating modifications indicated in Section A.2.c. of this Rule.

If more than one Increased Limits Table applies to the liability exposures in Section A.2.b. of this Rule, the premiums shall be subtotaled according to each underlying Increased Limits Table. Refer to Section A.3. of this Rule.

(2) Divide the total of the premiums determined in Section A.2.d.(1) by the total exposure in A.2.b. of this Rule. The result is the composite rate for the risk.

3. Increased Limits

Where limits of liability in excess of the minimum limits reflected in the rate computation are to be afforded, the company shall apply the appropriate increased limits table factor to the minimum limits composite rate (or rates) for liability insurance developed under Section A.2.d. of this Rule.

B. Physical Damage

1. Eligibility Requirements for Composite Rating

a. The composite rate must apply to a minimum of 50 automobiles (including trailers and semitrailers) which are under one ownership, or the total exposures to be rated on a composite rate basis must produce at least \$10,000 in annual manual physical damage premiums.

- b. The physical damage coverage that is composite rated in an automobile policy can be ceded to CAR only if it covers the owned automobiles of the insured.

2. Computation of Composite Rate

Each initial or revised composite rate shall be developed as follows:

- (a) Determine the exposures on the regular underwriting basis for the coverages to be insured on a composite rate basis, for a period of 12 consecutive months beginning not earlier than 24 months nor later than 12 months prior to the date on which the composite rate is to be effective. If these exposures cannot be determined accurately for any portion of the insurance to be rated, they shall be estimated from the use of such credible information as is available.

- (b) For the exposures referred to in Section B.2.(a) of this Rule, determine the classification, rating territory, original cost new and the age of the automobile from the appropriate Sections of the Manual and calculate the applicable manual rates, minimum premiums and the experience rating modification developed under CAR's Experience Rating Plan in effect as of the date on which the composite rate is to be effective.

- (c) Compute the composite rate as follows:

Divide the total of the premiums obtained in Section B.2.(b) by the exposure in B.2.(a) of this Rule. The result is the composite rate for the risk.

- C. Additional Provisions

1. Experience Rating

The prescribed procedures of applicable experience rating plans shall apply to risks rated in accordance with this rule.

2. Revisions of Composite Rates

The composite rates shall be revised annually to reflect any revisions of manual rates or rating modification. Such re-ratings shall be based on the data contained in the latest available survey.

A complete re-survey of exposures and revision of the composite rates is required annually or at any time at the request of the carrier or the insured, to reflect the effect of significant exposure changes.

3. New Coverage During A Policy Year

A composite rate may be adjusted to include coverage added after the effective date of the policy. Such adjustments may be made at the time of the addition or at the next rating anniversary date. If such composite rate adjustment is not made at the time of the addition, the regular manual rating procedures and applicable experience modification shall apply to such additional coverage during the period between the inception of additional coverage and the date of the adjustment of the composite rate to include such exposures.

4. Administration of Plan

The determination of composite rates shall be administered in the same way that the Experience Rating Plan is administered.

5. Earned Premium Determination

Upon policy expiration, the earned premium of a composite rated risk shall be determined by multiplying the audited exposure by the composite rate, subject to any applicable premium discounts.